

FISCAL NOTE

SB 1893 - HB 2059

April 4, 2003

SUMMARY OF BILL: Increases the tax on gasoline, diesel fuel and compressed natural gas by \$0.05 per gallon. Requires the Department of Transportation to implement a Rural Highway Development Program and to report each year to the General Assembly on the status of the program. The program is to be funded through the \$0.05 per gallon tax increase.

ESTIMATED FISCAL IMPACT:

Increase State Revenues:

\$179,400,000 FY 03-04 - Highway Fund / Earmarked for the Rural Highway Development Program

\$195,500,000 FY 04-05 - Highway Fund / Earmarked for the Rural Highway Development Program

**Increase State Expenditures - \$319,780 One-Time
\$255,000 Recurring**

Estimate assumes:

- 3,913,200,000 gallons of fuel would be sold in a full year. Since the effective date of the bill is one month into the fiscal year, it is estimated that 3,587,100,000 gallons of fuel would be subject to the new tax rate in FY04.
- there would be a one-time cost of \$319,000 to the Department of Revenue to implement the changes associated with the bill.
- the Department of Transportation would have a recurring cost of \$255,000 for 5 new positions, associated supplies and equipment necessary to implement the bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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